Investor Conference 2024

March 2024

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In case of any inconsistency between the management review in Hebrew and the English simultaneous translation, the former will prevail.

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Unless otherwise indicated, all numbers in this presentation are as of **31 December 2023**. The Company does not undertake to update this presentation or publish any of the data contained therein in the future.

In Memory of Our Employees

Avichai Amsalem
30 years old
Radio engineer

Omri Roth
25 years old
SW QA

Nitai Meisels
30 years old
Experimental Engineer

Ohad Ashur
23 years old
Drone pilot

Liav Atiya
25 years old
Security

Financial Results

2023 Financial Highlights

$17.8Bn
Backlog

$6.0Bn
Revenues

$449M
Non-GAAP (*)
Operating income

$114M
Operating cashflow

(*)GAAP Operating Income: $369m.
For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website

Financial Results | 2023

	2022	2023	Change
Sales ($M)	**5,512**	**5,975**	**8.4%**
Non-GAAP Operating Profit* ($M)	**367**	**449**	**22.3%**
Non-GAAP Operating margin* (%)	**6.7%**	**7.5%**	**80 bps**
GAAP Operating Profit ($M)	368	369	0.3%
GAAP Operating Profit margin (%)	6.7%	6.2%	(50 bps)
Non-GAAP Earnings per share* ($)	6.27	6.70	6.9%
GAAP Earnings per share ($)	6.18	4.82	(22%)
Operating cash Flow ($M)	240	114	(126m)
Backlog ($M)	**15,100**	**17,800**	**17.9%**

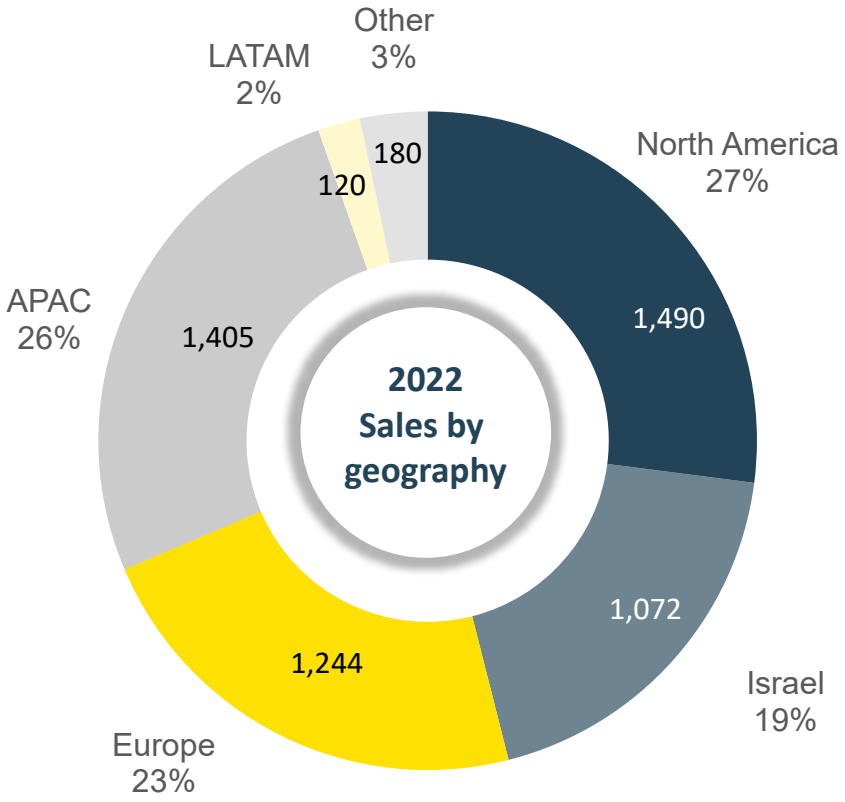
* For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website

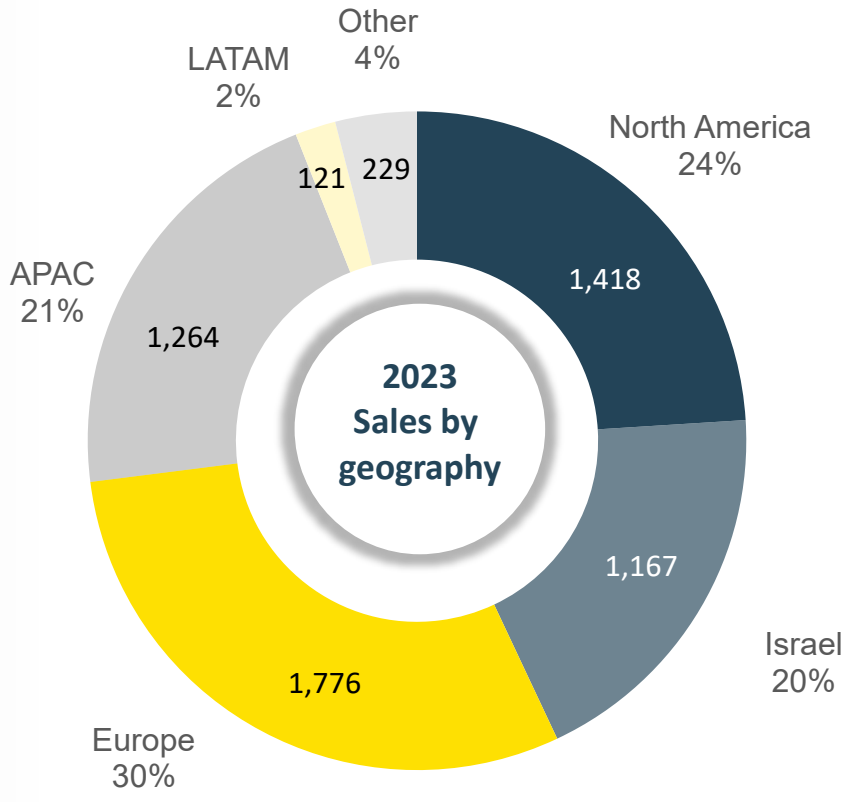
Financial Results | Q4 2023

	2022	2023	Change
Sales ($M)	**1,506**	**1,626**	**8.0%**
Non-GAAP Operating Profit* ($M)	**104**	**105**	**1.0%**
Non-GAAP Operating margin* (%)	**6.9%**	**6.4%**	**(50 bps)**
GAAP Operating Profit ($M)	120	68	(43.3%)
GAAP Operating Profit margin (%)	8.0%	4.2%	(380 bps)
Non-GAAP Earnings per share* ($)	1.71	1.56	(8.8%)
GAAP Earnings per share ($)	1.91	0.67	(64.9%)
Operating cash Flow ($M)	195	314	119m
Backlog ($M)	**15,100**	**17,800**	**17.9%**

* For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website

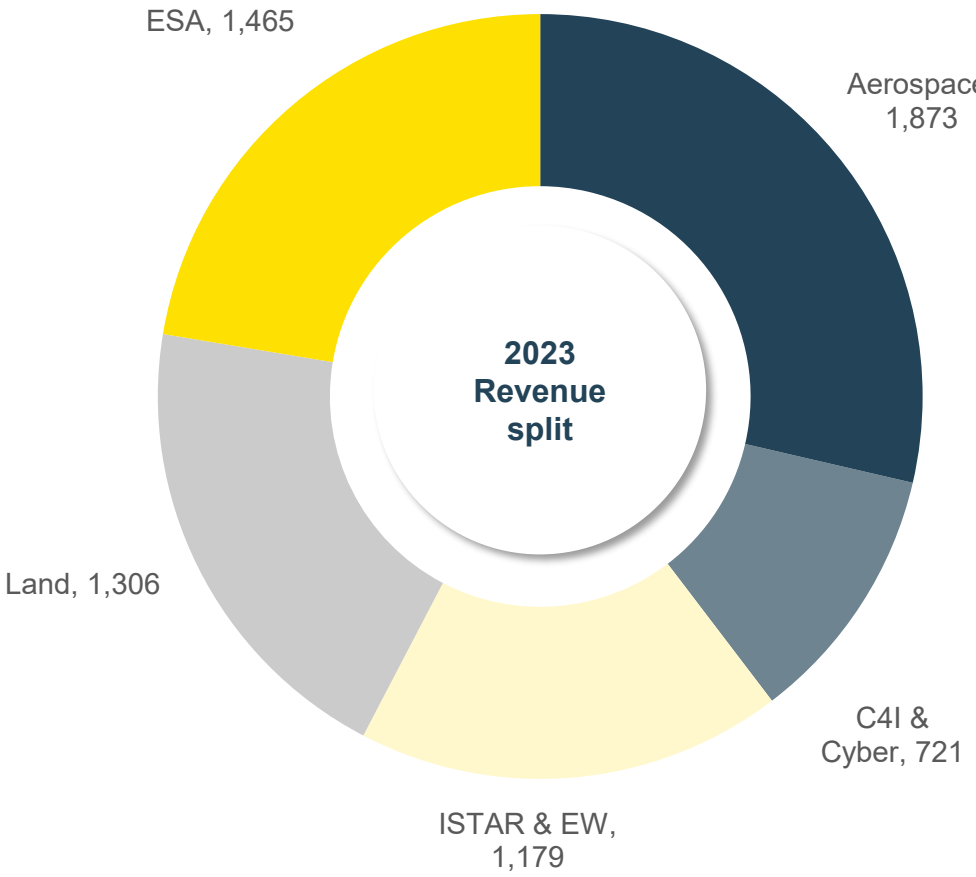
2023 Results | Revenues by Geographical Regions

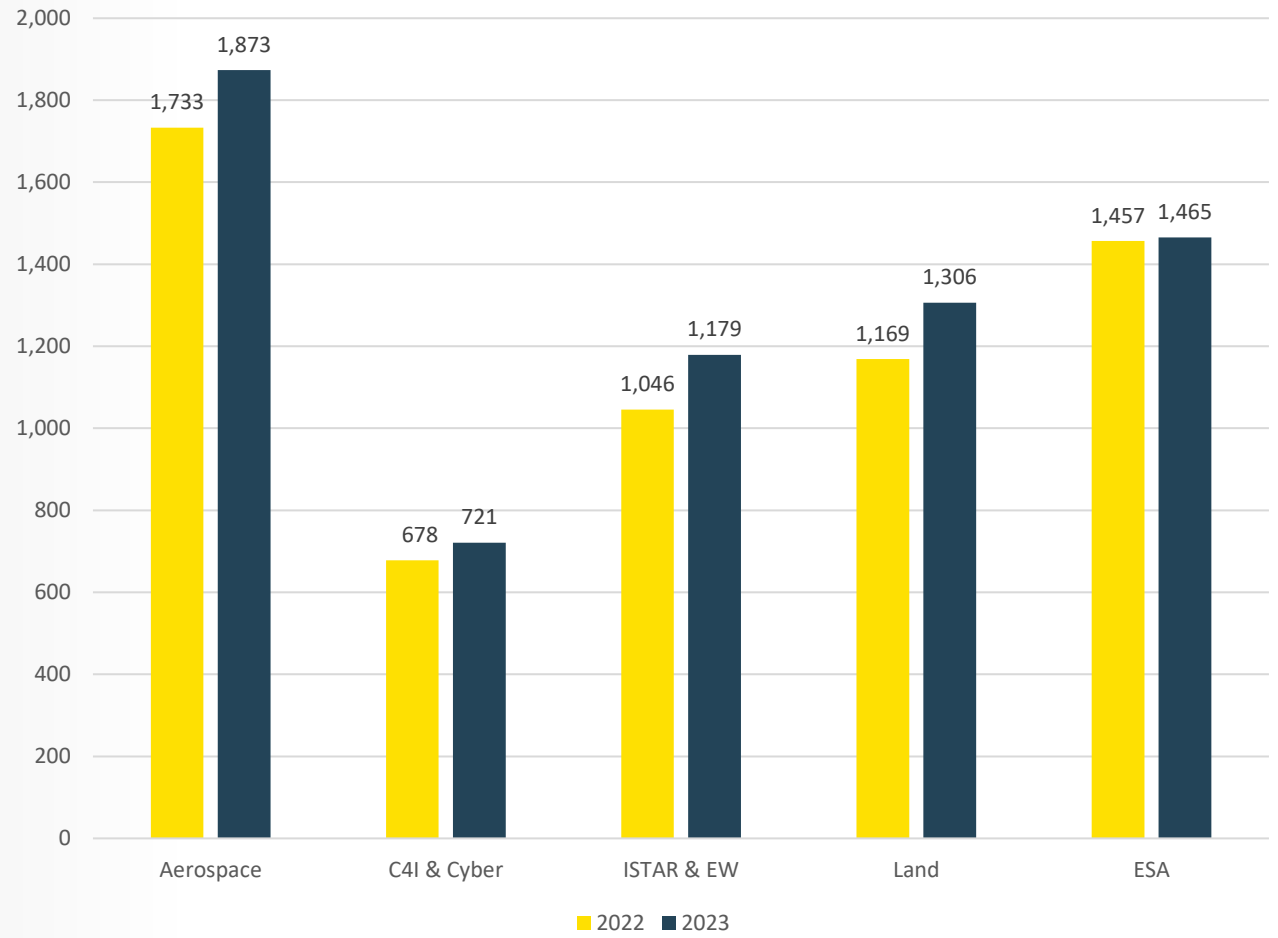




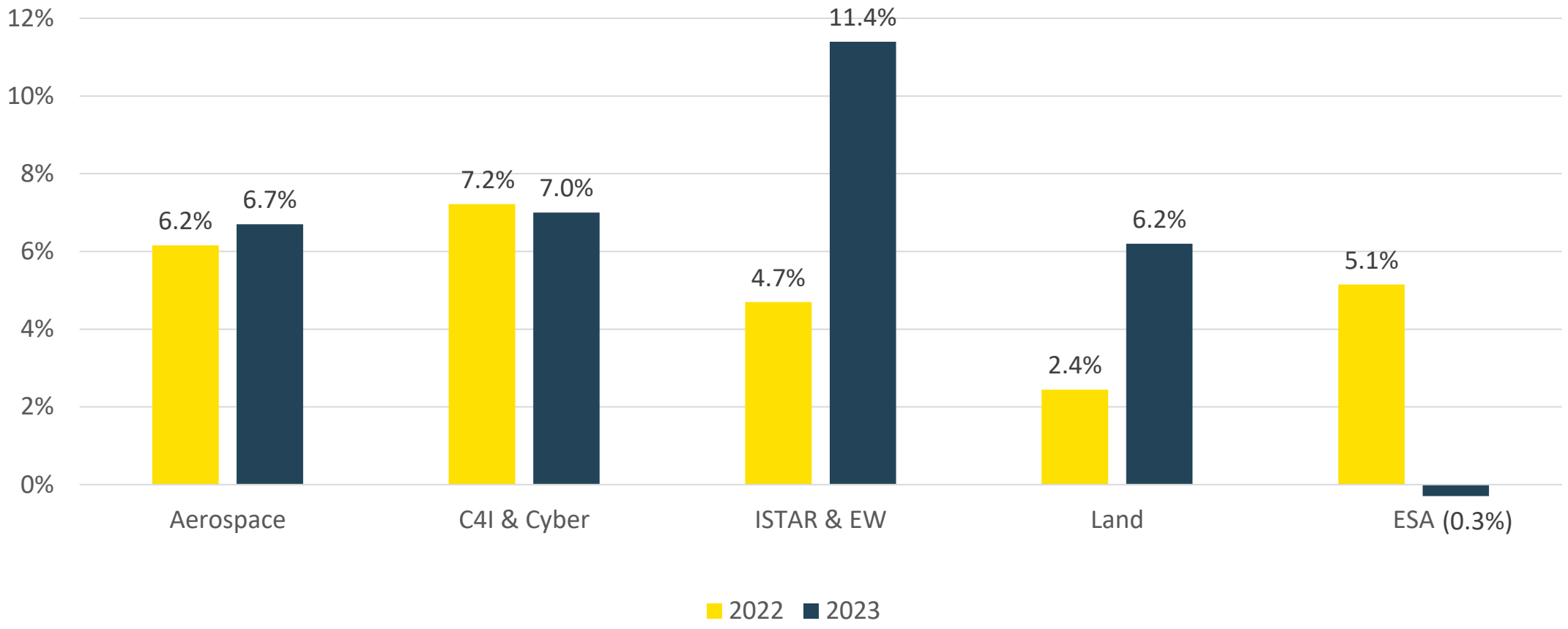
Continue to expand a balanced global footprint

Business Segments | Annual Revenues ($M)





Business Segments | Annual Operating Income ($M)



Capital Allocation Framework

- Invest in **organic growth**

  R&D - $424m in 2023
  CAPEX - $187m in 2023

- **M&A**

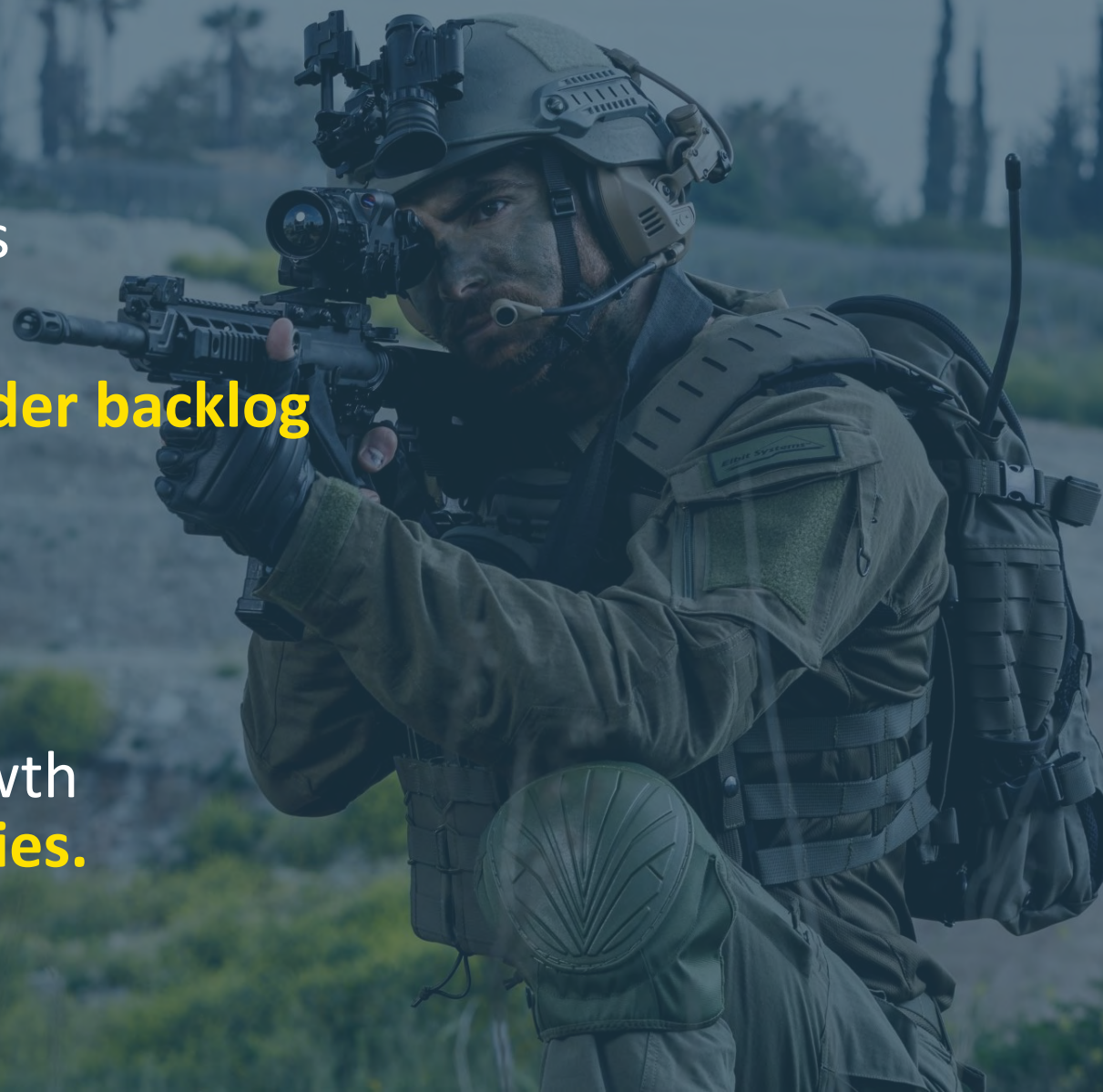
  $10m in 2023

- **Consistently** return cash to shareholders

  $89 m dividends distributed to shareholders in 2023

- Maintain a **strong balance sheet**

Summary



- 2023 results demonstrate that **we are on track** despite challenges
- Strong growth in **revenues and order backlog**
- Improved **profitability.**
- Cash flow impacted by strong growth and preparation for **future deliveries.**

Elbit Systems™

President and CEO

Key Messages

- Successful implementation of **our strategy**
- Progress in the **operational transformation** and **accelerated growth**
- Global defense budget growth driving **demand for our solutions**
- Demonstrating our **resilience**

Elbit Systems' Strategic Pillars

Internationally diversified presence and client base

- Unique global footprint
- Multiple domestic subsidiaries

Broad portfolio of solutions

- Aligned with customer priorities
- Accelerating sensor to shooter loop

Innovating to provide competitive advantage

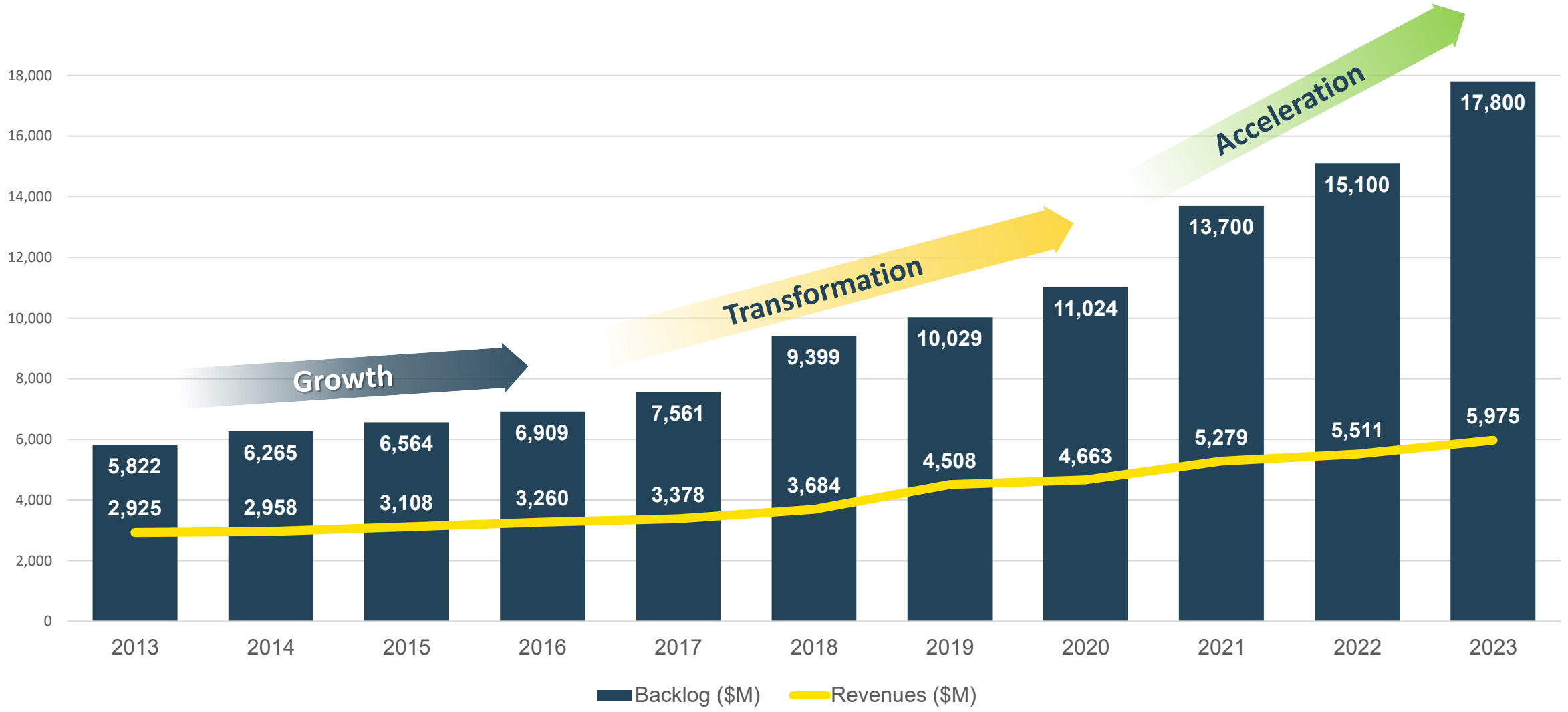
- Significant investment in R&D
- Short feedback loop

People

- Ongoing operational experience
- Cutting edge technological knowhow

Ranked 21st in DefenseNews Global 100 defense companies in 2023 (2022: 31st)

Order Backlog & Revenues| From Growth to Transformation



2012-2016
Backlog: 5% CAGR | Revenue: 3% CAGR

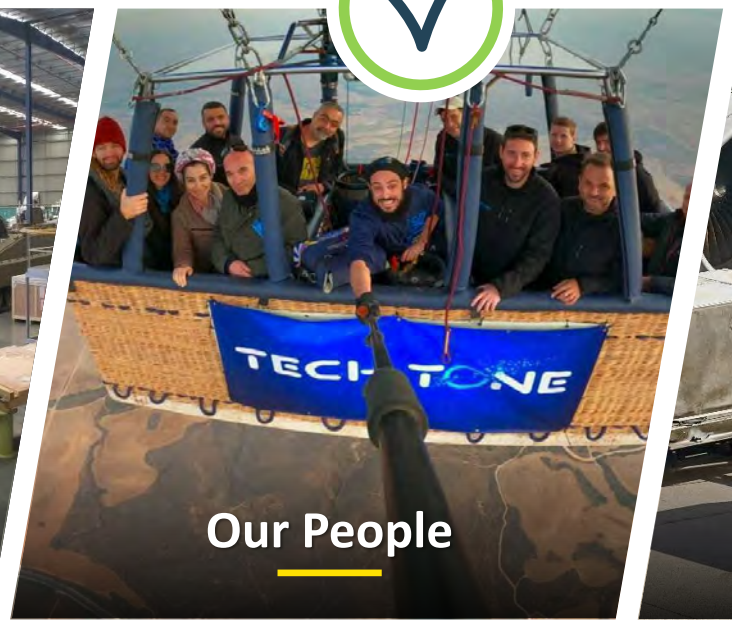
2016-2020
Backlog: 12% CAGR | Revenue: 9% CAGR

2020-2023
Backlog: 17% CAGR | Revenue: 9% CAGR

Progressing in Operational Transformation

Production Sites

- New factories opened in the US, UK and Germany
- Israeli Munition and UAV facilities to go live in 2024

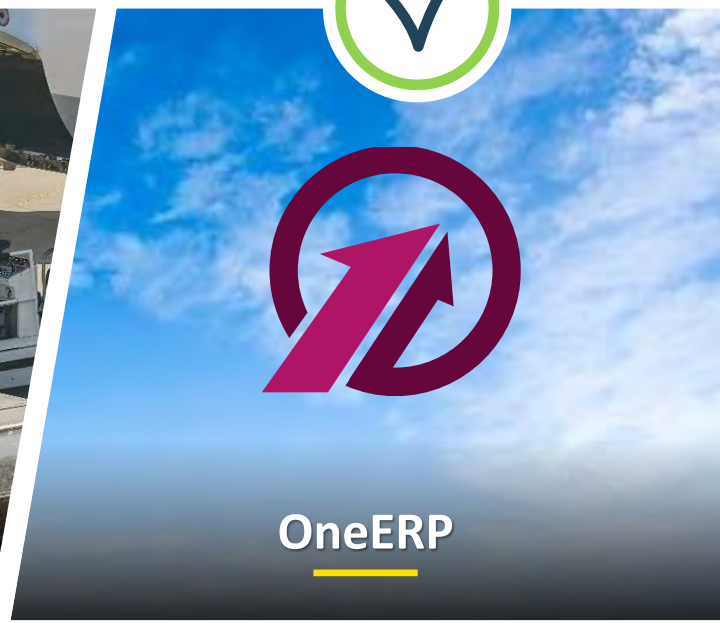


Our People

- Improved recruitment and retention
- Increasing the workforce to support growth

Supply Chain

- Improved availability of electronic components
- Maritime transportation disruption



OneERP

- Completed rollout in 2023
- Generating initial benefits with more to come

Ramat Beka | New, state of the art, munitions production facility

Area
52,000
Dunam

Facilities
> 70,000 M²

60
Factories

~1,000
Employees

Operations to
begin in 2024

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Israel

Elbit Systems – “Swords of Iron” – Clip

Swords of Iron | Supporting the IDF Efforts

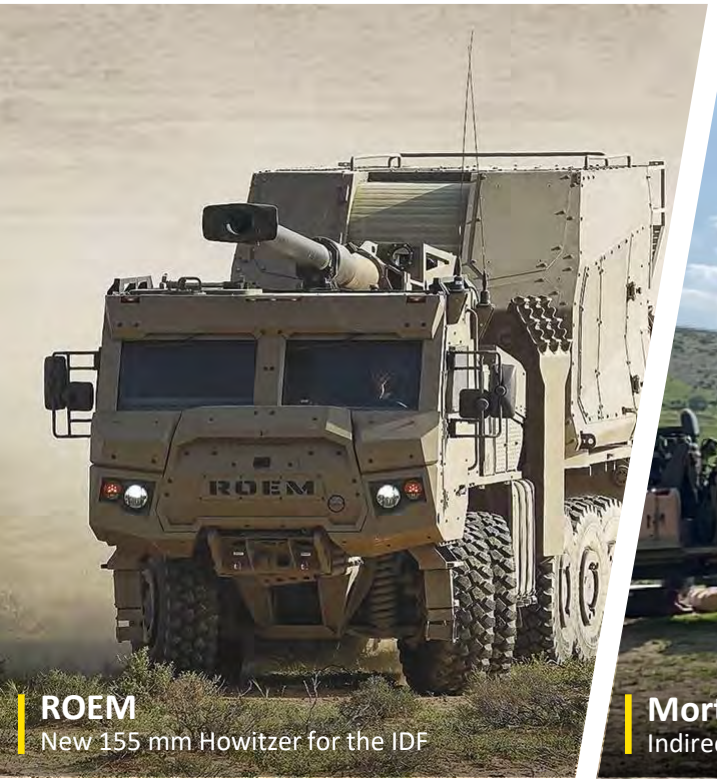
- Approximately 15% , more than 2,000 of the company's employees in Israel were recruited into reserves
- Factories working around the clock and on weekend
- Ramped production by recruiting hundreds of additional employees and increased automation
- Relocating facilities to ensure operational continuity
- Providing dedicated support for employees' families, evacuated employees and reservists

Operational transformation enabled significant production ramp

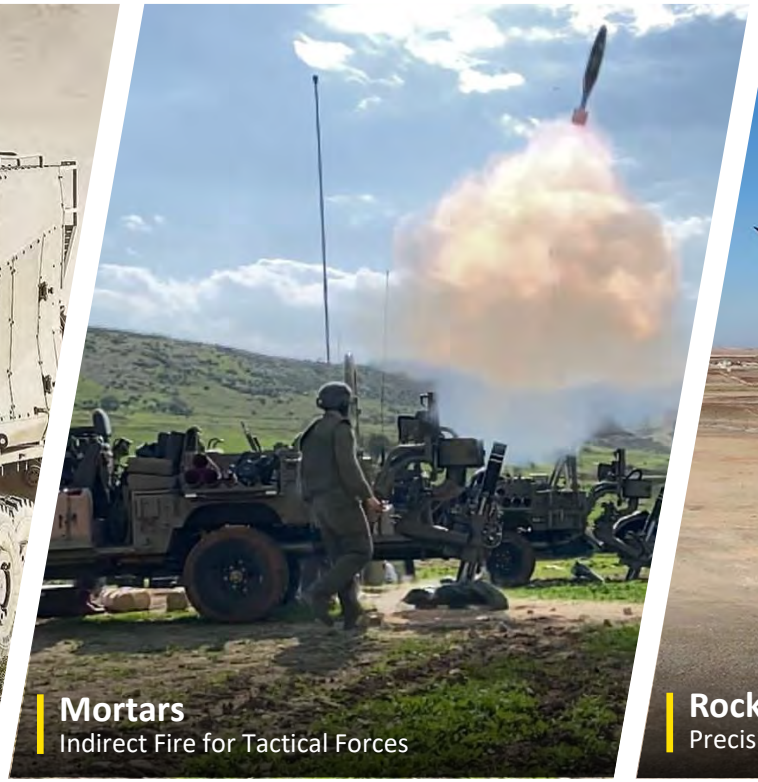
Israel | Providing the Backbone for Digital Warfare

Enabling multi-domain warfare and accelerating the sensor to shooter loop

Israel | Equipping the IDF with a Range of Advanced Platforms



ROEM
New 155 mm Howitzer for the IDF



Mortars
Indirect Fire for Tactical Forces

Rocket Artillery
Precision Guided Munition Launchers

UAVs and Drones
Integrating Aerial Unmanned Support in all Echelons

Cutting Edge Solutions for the Modern Battlefield

Israel | A Broad Range of Precision Munitions and Ammunition

Rocket Artillery

Mortars Shells

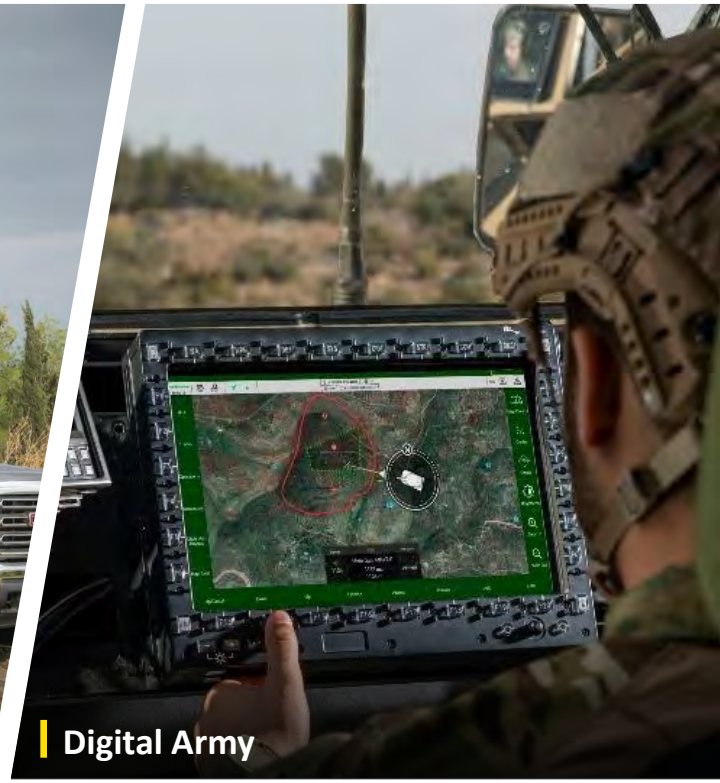
Artillery Munition

Tank Ammunition

Air Launched Munitions

Leveraging the Acquisition of IMI

Israel | Accelerating development and deployment

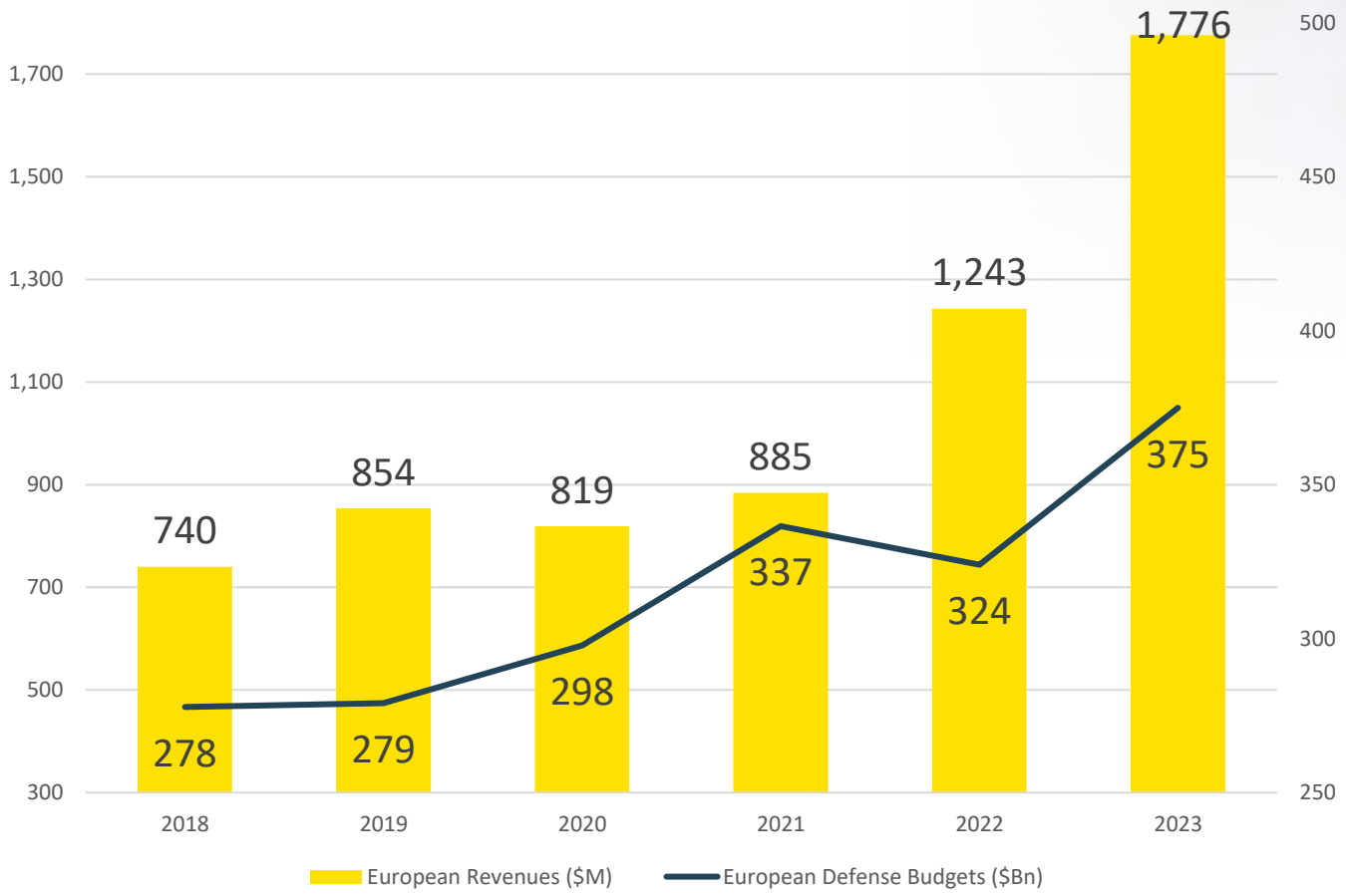


Leveraging Unique IP to Supply Advance Solutions to Battlefield

Business Environment

Europe | Continue to Grow Faster than European Defense Budget

European Defense Spend (US$ Bn) and Elbit European Revenues (M$)



141% Growth

Elbit Systems European Revenues ($M)
2018-2023

35% Growth

European Defense Budgets ($Bn)
2018-2023

Source JANES

Europe| Expanding Positions Driving Long Term Growth

Germany - C3I for Arrow missile defense system

Swedish Army digitization

Rocket artillery for The Netherlands

Systems for 230 Armored Vehicles

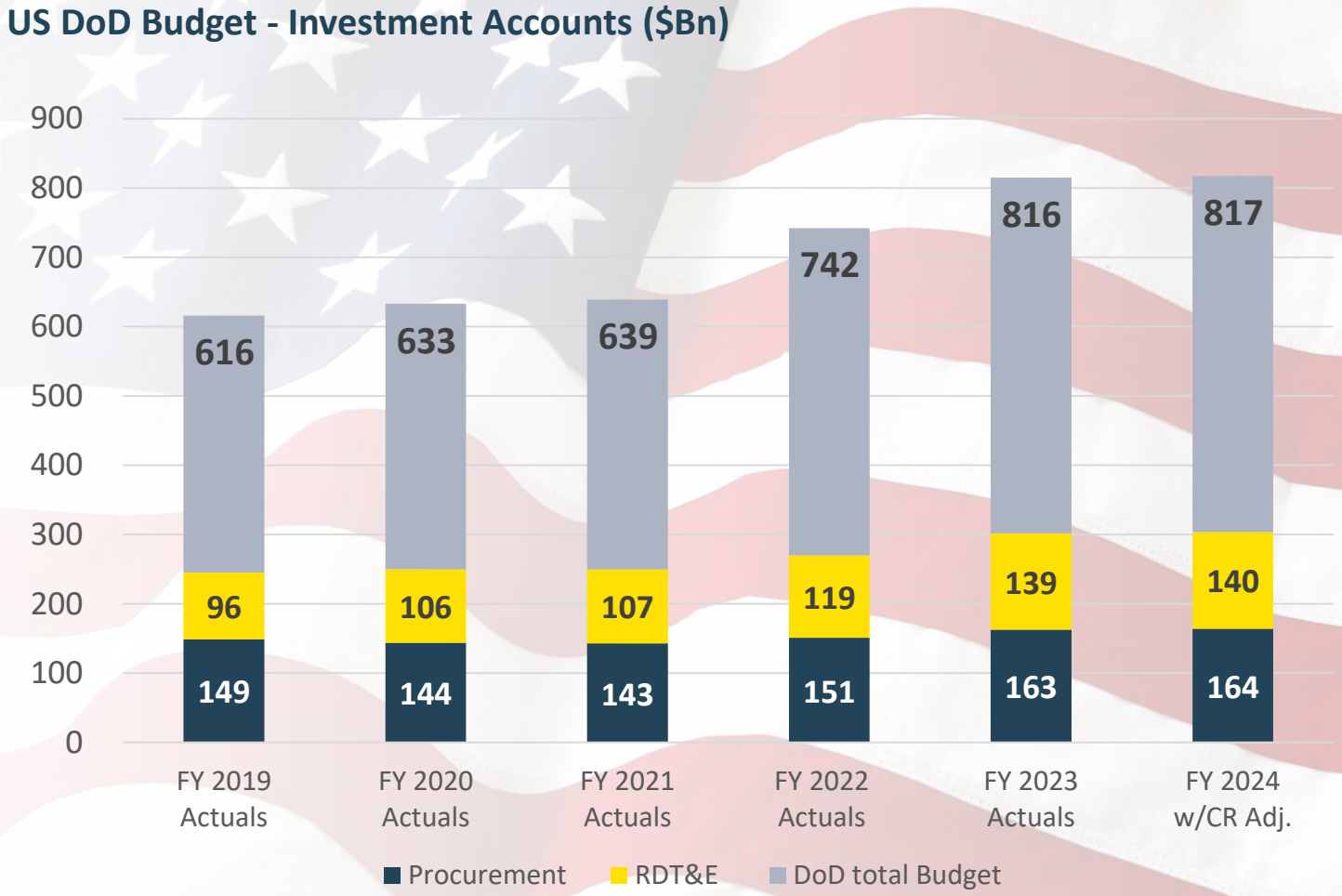
Opened new factories in Germany and the UK

Supplying UK Watchkeeper X UAS to Romania

Strong demand for our portfolio of relevant solutions

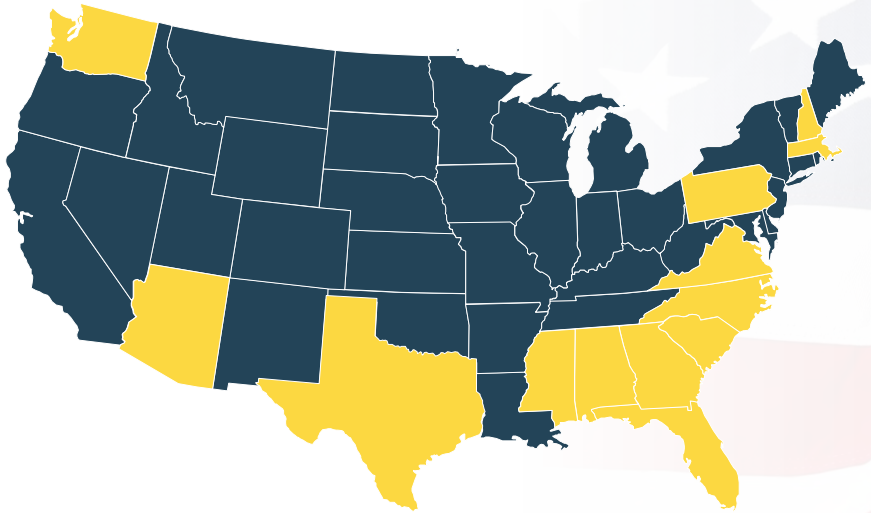
USA | Defense Budgets Growing to Address the Evolving Threat Environment

- US Air Force and US Navy budgets growing to address the Chinese challenge
- US Army budgets benefitting from restocking of equipment and munitions sent to Ukraine



Source: US OMB

USA | Another Year of Strategic Progress



500M$ ID/IQ For SBNVG for the USMC

Iron Fist selected for Bradley and future infantry fighting vehicles

Photo credit: US Army

Charleston ground combat vehicle center of excellence

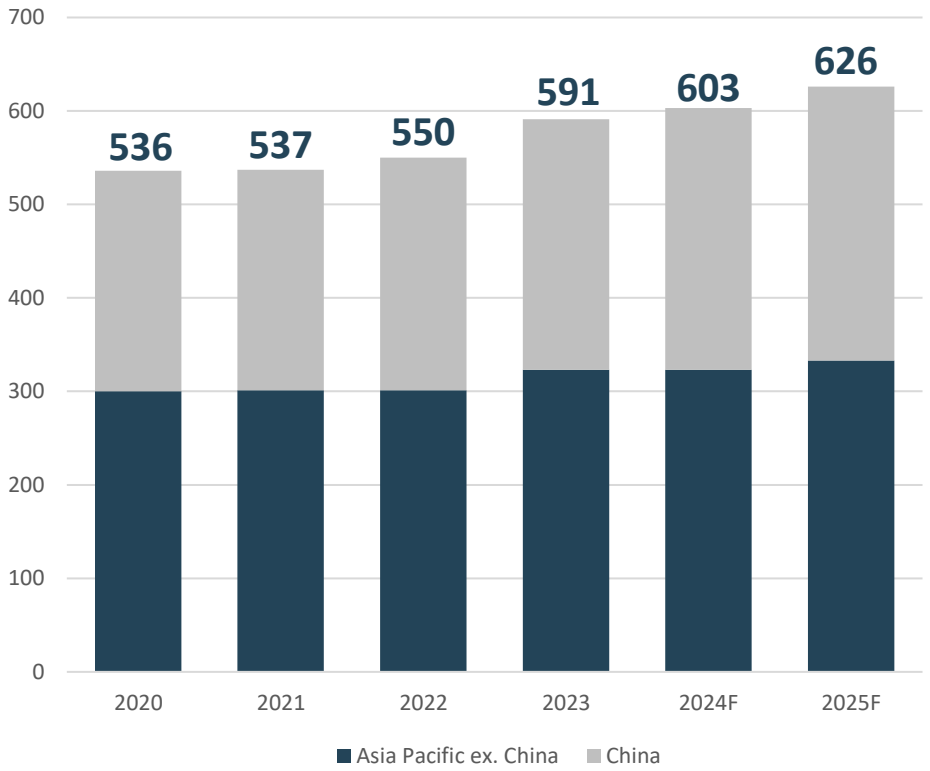
New Sparton sonobuoy facility

Photo credit: US Army

Repositioning the business for future growth

Asia Pacific | China Concerns Driving Defense Budget Growth

Asia - Pacific Defense Spend (US$ Bn)



Source JANES

Networked precision guided munitions

UAS to multiple customers across the region

Anti-Submarine warfare solutions

Australian Army - Providing the turret for Hanwha's Redback IFV

Expanding our positions across the region

2023
BUSINESS ACHIEVEMENTS

Elbit Systems™

Takeaways

- **Supportive** business environment
- **Operational transformation** on track
- **Resilient** business model
- **Delivering** on our **potential**

Focused on long term value creation for all our stakeholders

Elbit Systems™

Questions & Answers

Appendix | Non-GAAP Financial Data

The following non-GAAP financial data, including Adjusted gross profit, Adjusted operating income, Adjusted net income, and Adjusted diluted earnings per share, is presented to enable investors to have additional information on our business performance as well as a further basis for periodical comparisons and trends relating to our financial results. We believe such data provides useful information to investors and analysts by facilitating more meaningful comparisons of our financial results over time. The non-GAAP adjustments exclude amortization expenses of intangible assets related to acquisitions that occurred mainly in prior periods, capital gains related primarily to the sale of investments, restructuring and discontinued activities, uncompensated costs related to "Iron Swords" war, non-cash stock based compensation expenses, revaluations of investments in affiliated companies, non-operating foreign exchange gains or losses, one-time tax expenses, and the effect of tax on each of these items. We present these non-GAAP financial measures because management believes they supplement and/or enhance management's, analysts' and investors' overall understanding of the Company's underlying financial performance and trends and facilitate comparisons among current, past, and future periods.

Specifically, management uses Adjusted gross profit, Adjusted operating income, and Adjusted net income attributable to the Company's shareholders to measure the ongoing gross profit, operating profit and net income performance of the Company because the measure adjusts for more significant non-recurring items, amortization expenses of intangible assets relating to prior acquisitions, and non-cash expense which can fluctuate year to year.

We believe Adjusted gross profit, Adjusted operating income, and Adjusted net income attributable to the Company's shareholders are useful to existing shareholders, potential shareholders and other users of our financial information because they provide measures of the Company's ongoing performance that enable these users to perform trend analysis using comparable data.

Management uses Adjusted diluted earnings per share to evaluate further adjusted net income attributable to the Company's shareholders while considering changes in the number of diluted shares over comparable periods.

We believe adjusted diluted earnings per share is useful to existing shareholders, potential shareholders and other users of our financial information because it also enables these users to evaluate adjusted net income attributable to Company's shareholders on a per-share basis.

The non-GAAP measures used by the Company are not based on any comprehensive set of accounting rules or principles. We believe that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations, as determined in accordance with GAAP, and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

Investors are cautioned that, unlike financial measures prepared in accordance with GAAP, non-GAAP measures may not be comparable with the calculation of similar measures for other companies. They should consider non-GAAP financial measures in addition to, and not as replacements for or superior to, measures of financial performance prepared in accordance with GAAP.

Reconciliation of GAAP to Non-GAAP (Unaudited) Supplemental Financial Data

	Year Ended December 31,	
	2022	2023
GAAP gross profit	**1,373.3**	**1,483.0**
Adjustments:		
Amortization of purchased intangible assets (*)	31.7	31.7
Restructuring and discontinuation of a subsidiary's activities	—	17.5
Stock based compensation (**)	1.6	1.8
Uncompensated labor costs related to "Iron Swords" war	—	4.3
Non-GAAP gross profit	**1,405.0**	**1,533.9**
Percent of revenues	*25.5%*	*25.7%*
GAAP operating income	**367.5**	**369.1**
Adjustments:		
Amortization of purchased intangible assets (*)	49.2	43.9
Restructuring and discontinuation of a subsidiary's activities	—	17.5
Stock based compensation (**)	10.5	12.1
Capital gain	(31.5)	—
Uncompensated labor costs related to "Iron Swords" war	—	6.1
Non-recurring grant	(28.6)	—
Non-GAAP operating income	**356.6**	**448.7**
Percent of revenues	*6.5%*	*7.5%*

	Year Ended December 31,	
	2022	2023
GAAP net income attributable to Elbit Systems' shareholders	**275.4**	**215.1**
Adjustments:		
Amortization of purchased intangible assets (*)	49.2	43.9
Restructuring and discontinuation of a subsidiary's activities	—	17.5
Stock based compensation (**)	10.5	12.1
Capital gain	(20.5)	—
Revaluation of investment measured under fair value option	10.2	3.0
Non-operating foreign exchange (gains) losses	(10.5)	12.0
Uncompensated labor costs related to "Iron Swords" war	—	6.1
Non-recurring grant	(28.6)	—
Tax effect and other tax items, net	(6.3)	(10.9)
Non-GAAP net income attributable to Elbit Systems' shareholders	**268.9**	**298.8**
Percent of revenues	*4.9%*	*5.0%*
GAAP diluted net EPS	**6.18**	**4.82**
Adjustments, net	(0.15)	1.88
Non-GAAP diluted net EPS	**6.03**	**6.70**

(*) While amortization of acquired intangible assets is excluded from the measures, the revenue of the acquired companies is reflected in the measures and the acquired assets contribute to revenue generation.
(**) Stock based compensation is excluded from the measures since the expense is non cash. For consistency, the company adjusted its stock based compensation expenses in previous periods as well.

Elbit Systems™

THANK YOU

INVESTOR CONTACTS

Dr. Yaacov (Kobi) Kagan, Executive VP - CFO
Tel: +972-77296663 | kobi.kagan@elbitsystems.com

Rami Myerson, Investor Relations Director
Tel: +972-772948984 | rami.myerson@elbitsystems.com

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